



MVP/Reading

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GSA Acquisition Letter MV-01-01

MEMORANDUM FOR ALL GSA CONTRACTING ACTIVITIES

FROM: DAVID A. DRABKIN *David A. Drabkin* 02/27/01
DEPUTY ASSOCIATE ADMINISTRATOR
FOR ACQUISITION POLICY

SUBJECT: Conversion of Standard Industrial Classification and the
Small Business Competitiveness Demonstration
Program

1. Purpose. This Acquisition Letter provides fiscal year 2000 performance data for the Small Business Competitiveness Demonstration Program to be used for solicitations issued on or after March 01, 2001. It also revises the Program currently based on the Standard Industrial Classification (SIC) system and converts the codes to the North American Industry Classification System (NAICS). NAICS is a new system that more accurately identifies industries.

2. Background. Title VII of the "Business Opportunity Development Reform Act of 1988" (Public Law 100-656) established the Small Business Competitiveness Demonstration Program to provide for the testing of specified innovative procurement methods and procedures for the period January 1, 1989, through December 31, 1992. Nine designated agencies, including GSA are participants in the Program. Subsequently, other legislation has extended the Program. In December 1997, the Small Business Reauthorization Act of 1997, Public Law 105-135, was enacted into law and as a result, the Program is extended indefinitely along with amendments to be implemented. The Office of Acquisition Policy will incorporate these updates in the General Services Administration Acquisition Manual (GSAM), 519.10, Small Business Competitiveness Demonstration Program.

3. Effective Date. March 01, 2001.

4. Termination Date. This Acquisition Letter will expire December 31, 2001, unless cancelled earlier or extended.

5. Applicability. This Acquisition Letter applies to all GSA contracting activities involved in the procurement of construction (except dredging), Architect-engineer services (including survey and mapping) using "Brooks Act" selection procedures, and trash/garbage collection services. This Acquisition Letter does not apply to construction (including repair and alteration) services acquired from a lessor under the terms and conditions of a lease for space in buildings. It does apply to construction services performed in leased space if the construction services are acquired through the normal procurement process.

6. Reference to regulations. Federal Acquisition Regulation 19.10 and GSAM 519.10.

7. Instructions/procedures.

a. Revises Subpart 519.10 to provide fiscal year 2000 performance data under the Small Business Competitiveness Demonstration Program and procedures to be used for solicitations issued on or after March 01, 2001, under the Program. This Acquisition Letter revises the GSAM as follows:

- (1) Paragraph 7.b replaces GSAM 519.1006-70(a).
- (2) Paragraph 7.c replaces GSAM 519.1006-71(b) introductory paragraph and (b)(1).
- (3) Paragraph 7.d.(1)-(3) replaces GSAM 519.1006-72.
- (4) Paragraph 7.e. replaces GSAM 519.1006-73.

b. Designated industry goals: GSA goals for designated industry groups are as follows:

Designated Industry	Small Business Goal	Emerging Small Business Goal
Construction under North American Industry Classification System (NAICS) codes that comprise subsectors 233, 234, and 235 (excluding dredging)	40%	15%
Architect-Engineer (A-E) services (including surveying and mapping) under NAICS codes 541310, 541330, 541360, or 541370 (limited to FPDS service codes C111 through C216, C219, T002, T004, T008, T009, T014, and R404) awarded under the Brooks A-E Act selection procedures	40%	15%
Refuse systems and related services, including portable sanitation services, under NAICS codes 562111, 562119, or 562219, limited to FPDS service code S205	40%	15%

c. Unrestricted procurements. You may make procurements of construction or trash/garbage collection services with an estimated value in excess of \$25,000 and procurements of A-E services with an estimated value in excess of \$50,000 on an unrestricted basis as long as quarterly reviews show that GSA, as an agency, has attained the 40 percent goals. The 40 percent goal applies to each of the 3 subsectors in construction (subsectors 233, 234, and 235), to trash/garbage collection, and to A-E services.

d. Goal attainment for period: Fiscal Year 2000.

(1) Report. The Report on Small Business Participation Under the Small Business Competitiveness Demonstration Program for Designated Industry Groups for all of PBS and a separate report for each PBS region will be distributed in the next GSAM change. These reports reflect performance during the period from October 1, 1999, through September 30, 2000.

(2) Performance toward small business goals. Review of cumulative award data from the GSA Procurement Data System for the period beginning October 1, 1999, through September 30, 2000, indicates that:

(a) GSA met the 40 percent goal for subsectors 233 (Building, Developing, and General Contracting), 234 (Heavy Construction), and 235 (Special Trade Contractors). However, not all organizational units met the 35 percent goal in all individual NAICS codes.

(b) GSA did not meet the 40 percent overall goal in A-E services.

(c) GSA did meet the 40 percent overall goal in refuse systems and related services (trash/garbage collection services). The 35 percent rule does not apply to refuse systems and related services (trash/garbage collection services).

(3) Performance toward emerging small business goals. Review of cumulative award data from the GSA Procurement Data System for the period beginning October 1, 1999, through September 30, 2000, indicates that:

(a) GSA exceeded the 15 percent goal for emerging small business concerns in construction industry groups 234 and 235 and in refuse systems and related services.

(b) GSA did not meet the 15 percent goals in subsector 233 (Building, Developing, and General Contracting) and A-E services.

e. Procurement procedures for solicitations issued on or after March 1, 2001.

(1) Construction or trash/garbage collection services with an estimated value of \$25,000 or less and procurement of A-E services with an estimated value of \$50,000 or less. Follow the procedures in 519.1006-71 for these procurements.

(2) Procurements above the reserve levels in 519.1006-71(a). Use the following procedures for construction or trash/garbage collection services estimated to exceed \$25,000 and A-E services estimated to exceed \$50,000.

(a) NAICS subsectors 233, 234, and 235. Conduct procurements in these NAICS subsectors on an unrestricted basis except as follows. For the regions and NAICS subsectors listed below, you must set aside the procurements for small business when you have a reasonable expectation of obtaining competition from two or more small businesses. If no such expectation exists, you may conduct the procurement on an unrestricted basis.

Region	NAICS
Region 1	235950
Region 3	235950, 235210, 235920, and 235990
Region 4	235110
Region 5	235950, 235210 235920, and 235990
Region 6	235110, 235950, 235210, 235920, and 235990
Region 7	235950
Region 8	233320, 234110
Region 9	233320 and 233310
National Capital Region	233320

(b) Trash/garbage collection services in PSC S205. With the exception of Region 4, conduct any procurement for refuse services in PSC S205 on an unrestricted basis.

(c) Architect-Engineer services (all PSC codes under the Program). Conduct procurements for A-E services under the Program on an unrestricted basis except as follows. For the regions and PSC codes listed below, you must set aside the procurements for small business when you have a reasonable expectation of obtaining competition from two or more small businesses. If no such expectation exists, you may conduct the procurement on an unrestricted basis.

Region	PSC
Region 1	C111

Region 4	C111, C119, C211, and C219
Region 5	C111
Region 7	C111
Region 8	C111
Region 9	C111
National Capital Region	C211